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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

Appln No.: 10/770,984

**Confirmation No. 2191**

Filed: February 3, 2004

**CERTIFICATE OF MAILING**

Applicant: Gurupdesh S. PANDHER

For: OPTION VALUATION METHOD  
AND APPARATUS

Art Unit: 3624

Examiner:

Attorney Docket No.: 82352

Customer No.: — 22242

5/20/2004

Date

Steven G. Parmelee

Registration No. 28,790

Attorney for Applicant(s)

Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

**INFORMATION DISCLOSURE STATEMENT**

Sir:

Pursuant to the duty of disclosure under 37 CFR § 1.56, and in accordance with 37 CFR §§ 1.97 and 1.98, Applicant brings the following information with respect to the above-identified application to the attention of the Examiner.

**NON PATENT LITERATURE DOCUMENTS**

BLACK, Fischer and SCHOLES, Myron, "The Pricing of Options and Corporate Liabilities," *The Journal of Political Economy*, Vol. 81, No. 3, May-June 1973, pp. 637-654.

Application No. 10/770,984  
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MERTON, Robert C., "Option Pricing When Underlying Stock Returns Are Discontinuous," *Journal of Financial Economics*, 3 (1976), pp. 125-144.

COX, John C., ROSS, Stephen A., and RUBINSTEIN, Mark, "Option Pricing: A Simplified Approach," *Journal of Financial Economics*, No. 7, 1979 pp. 229-263.

LAMBERT, Richard A., LARCKER, David F., and VERRECCHIA, Robert E., "Portfolio Considerations in Valuing Executive Compensation," *Journal of Accounting Research*, Vol. 29, No. 1, Spring 1991, pp. 129-183.

JENNERGREN, L. Peter and NÄSLUND, Bertil, "A Comment on 'Valuation of Executive Stock Options and the FASB Proposal,'" *The Accounting Review*, Vol. 68, No. 1, January 1993, pp. 179-183.

CUNY, Charles J. and JORION, Philippe, "Valuing Executive Stock Options With Endogenous Departure," *Journal of Accounting and Economics*, 20 (1995), pp. 193-205.

WILCOX, Jarrod W., "Selling Bottlenecks: Causes and Treatments," *Financial Analysts Journal*, March-April 1994, pp. 49-54.

HUDDART, Steven, "Employee Stock Options," *Journal of Accounting and Economics*, 18 (1994) pp. 207-231.

KULATILAKA, Nalin and MARCUS, Alan J., "Valuing Employee Stock Options," *Financial Analysts Journal*, November-December 1994, pp. 46-56.

ARTZNER, Philippe and DELBAEN, Freddy, "Default Risk Insurance and Incomplete Markets," *Mathematical Finance*, Vol. 5, No. 3, July 1995, pp. 187-195.

RUBINSTEIN, Mark, "On The Accounting Valuation Of Employee Stock Options," *The Journal of Derivatives*, Fall 1995, pp. 8-24.

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DUFFIE, Darrell and SINGLETON, Kenneth J., "An Econometric Model of the Term Structure of Interest-Rate Swap Yields," *The Journal of Finance*, Vol. 52, No. 4, September 1997, pp. 1287-1321.

CARPENTER, Jennifer N., "The Exercise and Valuation of Executive Stock Options," *Journal of Financial Economics*, 48 (1998), pp. 127-158.

LANDO, David, "On Cox Processes and Credit Risky Securities," *Review of Derivatives Research*, 2 (1998), pp. 99-120.

JARROW, Robert A. and TURNBULL, Stuart M., "Pricing Derivatives on Financial Securities Subject to Credit Risk," *The Journal of Finance*, Vol. 50, No. 1, March 1995, pp. 53-85.

MADAN, Dilip B. and UNAL, Haluk, "Pricing the Risks of Default," *Review of Derivatives Research*, 2 (1998), pp. 121-160.

DUFFIE, Darrell and SINGLETON, Kenneth J., "Modeling Term Structures of Defaultable Bonds," *The Review of Financial Studies*, Vol. 12, No. 4, 1999, pp. 687-720.

BRENNER, Menachem, SUNDARAM, Rangarajan K., and YERMACK, David, "Altering the Terms of Executive Stock Options," *Journal of Financial Economics*, 57 (2000), pp. 103-128.

CARPENTER, Jennifer N. and REMMERS, Barbara, "Executive Stock Option Exercises and Inside Information," *The Journal of Business*, Vol. 74, No. 4, October 2001, pp. 513-534.

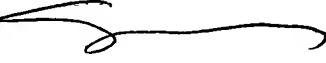
The above documents are listed on Form PTO/SB/08B which accompanies this Information Disclosure Statement. A copy of each non-patent literature document listed therein is enclosed.

Pursuant to 37 CFR § 1.97(h), the filing of this Information Disclosure Statement shall not be construed to be an admission that the information cited in the

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Filed February 3, 2004  
INFORMATION DISCLOSURE STATEMENT

statement is, or is considered to be, material to patentability as defined in 37 CFR § 1.56(b).

The Director is hereby authorized to charge any additional fees which may be required with respect to this communication or credit any overpayment to Deposit Account No. 06-1135.

Respectfully submitted,  
FITCH, EVEN, TABIN & FLANNERY  
By   
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May 20, 2004

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PTO/SB/14 Substitute for Form 10-1449				Application Number	10/770,984
				Filing Date	February 3, 2004
				First Named Inventor	Gurupdesh S. PANDHER
				Art Unit	3624
				Examiner Name	
Sheet	1	of	2	Attorney Docket	82352

### NON PATENT LITERATURE DOCUMENTS

Examiner Initials*	Cite No. <sup>1</sup>	Include name of the author (in CAPITAL LETTERS), title of the article (when appropriate), title of the item (book, magazine, journal, serial, symposium, catalog, etc.), date, page(s), volume-issue number(s), publisher, city and/or country where published	T <sup>2</sup>
		BLACK, Fischer and SCHOLES, Myron, "The Pricing of Options and Corporate Liabilities," <i>The Journal of Political Economy</i> , Vol. 81, No. 3, May-June 1973, pp. 637-654.	
		MERTON, Robert C., "Option Pricing When Underlying Stock Returns Are Discontinuous," <i>Journal of Financial Economics</i> , 3 (1976), pp. 125-144.	
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		LAMBERT, Richard A., LARCKER, David F., and VERRECCHIA, Robert E., "Portfolio Considerations in Valuing Executive Compensation," <i>Journal of Accounting Research</i> , Vol. 29, No. 1, Spring 1991, pp. 129-183.	
		JENNERGREN, L. Peter and NÄSLUND, Bertil, "A Comment on 'Valuation of Executive Stock Options and the FASB Proposal,'" <i>The Accounting Review</i> , Vol. 68, No. 1, January 1993, pp. 179-183.	
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Examiner Signature		Date Considered
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\*EXAMINER: Initial if reference considered, whether or not citation is in conformance with MPEP 609. Draw line through citation if not in conformance and not considered. Include copy of this form with next communication to applicant.

<sup>1</sup> Applicant's unique citation designation number (optional). <sup>2</sup> Applicant is to place a check mark here if English language Translation is attached.



PTO/SB/08B Substitute for Form PTO-146 <b>INFORMATION DISCLOSURE STATEMENT BY APPLICANT</b> <i>(use as many sheets as necessary)</i>				Application Number 10/770,984
Filing Date February 3, 2004				
First Named Inventor Gurupdesh S. PANDHER				
Art Unit 3624				
Examiner Name				
Sheet 2	of 2	Attorney Docket 82352		

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		JARROW, Robert A., LANDO, David, and TURNBULL, Stuart M., "A Markov Model for the Term Structure of Credit Risk Spreads," <i>The Review of Financial Studies</i> , Vol. 10, No. 2, Summer 1997, pp. 481-523.		T <sup>2</sup>
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